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ACADIANA OPEN CHANNEL, INC.
FINANCIAL STATEMENTS AND
AUDITOR'S REPORT

Years Ended June 30, 2000
and June 30, 1999

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the clerk and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Louisiana Auditor and, where appropriate, at the offices of the parish clerk of court.

Release Date **DEC 27 2000**

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November 10, 2000

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Acadiana Open Channel, Inc.
Lafayette, Louisiana

I have audited the accompanying statements of financial position of Acadiana Open Channel, Inc. as of June 30, 2000 and 1999 and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. These standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Acadiana Open Channel, Inc. as of June 30, 2000 and 1999, and the changes in its net assets and its cash flows for the years then ended in conformity with generally accepted accounting principles.



Stephen R. Moore, Jr., CPA
Lafayette, Louisiana

ACADIANA OPEN CHANNEL, INC.

STATEMENTS OF FINANCIAL POSITION

June 30, 2000 and 1999

	2000	1999
ASSETS		
Cash and cash equivalents	\$ 124,243	\$ 308,760
Certificates of deposit	55,512	51,131
Investments	795,898	-
Accounts receivable	645	521
Prepaid expenses and other assets	15,121	5,421
Property and equipment, net	<u>58,285</u>	<u>62,352</u>
Total assets	<u>\$ 1,453,607</u>	<u>\$ 428,564</u>
LIABILITIES		
Accounts payable and accrued expenses	\$ 1,838	\$ 4,343
Deferred revenue	<u>4,357</u>	<u>-</u>
Total liabilities	\$ 6,195	\$ 4,343
NET ASSETS		
Unrestricted	<u>\$ 134,404</u>	<u>415,145</u>
Total liabilities and net assets	<u>\$ 1,453,607</u>	<u>\$ 428,564</u>

See Notes to Financial Statements

ACADIANA OPEN CHANNEL, INC.

STATEMENTS OF ACTIVITIES

Years Ended June 30, 2020 and 1999

	2020	1999
SUPPORT AND REVENUE		
Grants	\$ 277,687	\$ 289,627
Dues sales	1,516	2,483
Supply sales	1,086	1,002
Workshop registrations	3,782	3,783
Investment income	19,099	9,687
Gain (loss) on disposition of assets	-	(2,477)
Other income	3,039	683
	<u>325,909</u>	<u>306,275</u>
EXPENSES		
Program services		
Access user development	6,327	8,029
Advertising and promotional	781	911
Consulting	4,781	1,080
Depreciation	22,086	22,179
Dues, subscriptions and memberships	1,270	725
Employee benefits and payroll taxes	18,145	18,740
Miscellaneous	788	384
Rent	8,720	9,720
Repairs	11,674	9,180
Salaries	508,127	519,294
Supplies	8,005	8,038
Supplies sales expense	2,973	324
Telephone	4,981	4,912
Training	1,678	1,420
Travel	1,323	2,772
Workshops	689	488
Total program services	<u>598,223</u>	<u>598,745</u>
Administration	72,801	62,478
Unrealized losses on investments	513	-
Realized losses or sale of investment	4,938	-
Total expenses and losses	<u>676,575</u>	<u>661,223</u>
INCREASE IN UNRESTRICTED NET ASSETS	18,614	14,911
PRIOR PERIOD ADJUSTMENTS	1,745	-
NET ASSETS AT BEGINNING OF YEAR	<u>418,745</u>	<u>401,234</u>
NET ASSETS AT END OF YEAR	<u>\$ 434,404</u>	<u>\$ 418,745</u>

See Notes to Financial Statements

ACADAMA OPEN CHANNEL, INC.

STATEMENTS OF CASH FLOWS

Year Ending June 30, 2000 and 1999

	<u>2000</u>	<u>1999</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase in net assets	\$ 16,418	\$ 14,311
Adjustments to reconcile increase in net assets to net cash provided by (used in) operations:		
Depreciation	22,086	22,178
Change in assets and liabilities:		
Due from Lafayette City-Parish		
Consolidated Government		185,291
Accounts receivable	175	88
Prepaid expenses and other assets	3,670	1,312
Accounts payable and account expenses	(107)	2,308
Deferred revenue	4,457	-
Unrealized losses on investments	515	-
Prior period adjustment	1,768	-
	<u>49,084</u>	<u>145,278</u>
Net cash provided by (used in) operating activities		
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of equipment	(17,580)	(37,446)
Purchase of investments	(718,368)	-
Proceeds from redemptions of investments	14,883	-
Maturity of certificate of deposit	91,131	22,086
Purchase of certificate of deposit	(55,552)	-
	<u>(215,484)</u>	<u>(5,420)</u>
Net cash provided by (used in) investing activities		
INCREASE (DECREASE) IN CASH	<u>(179,420)</u>	<u>140,059</u>
CASH, beginning of year	<u>360,793</u>	<u>199,904</u>
CASH, end of year	<u>\$ 181,373</u>	<u>\$ 340,763</u>

See Notes to Financial Statements

ACADIANA OPEN CHANNEL, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2000 and 1999

Note 1 – Summary of Significant Accounting Policies

Business Activity

Acadiana Open Channel, Inc. (AOC) is a Louisiana non-profit organization. Its purpose is to coordinate the use of public access channels provided by the cable television system in Lafayette, Louisiana. AOC also provides production facilities, technical assistance, and training to individuals, groups and organizations interested in producing non-commercial education, cultural, informational or other community-oriented television programs.

Basis of Presentation

The financial statements of AOC are prepared on the accrual basis.

Financial statement presentation follows the recommendation of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations". Under SFAS No. 117, AOC is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. AOC does not have any temporarily or permanently restricted net assets.

The costs of providing AOC's programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly certain costs have been allocated among the programs and supporting services benefited.

ACADIANA OPEN CHANNEL, INC.

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2000 and 1999

Note 1 – Summary of Significant Accounting Policies (continued)

Property and Equipment

Property and equipment are summarized by major classifications as follows:

	2000	1999
Furniture and fixtures	\$ 15,758	\$ 15,758
Leasehold improvements	13,875	13,875
Production and studio equipment	227,596	200,276
	306,329	268,909
Less: accumulated depreciation	(249,943)	(236,867)
	<u>\$ 56,386</u>	<u>\$ 32,042</u>

The property and equipment of AOC are stated at cost and are being depreciated by the straight-line method for financial reporting purposes over the estimated useful lives shown below.

Lives

Furniture and equipment	3 – 7
Leasehold improvements	5 – 10
Production and studio equipment	3 – 5

The costs of repairs and maintenance of property and equipment are charged to expense as incurred. Expenditures for additions, improvements and replacements are capitalized. The cost and related accumulated depreciation of property and equipment retired are removed from the accounts and any resulting gain or loss is recognized.

Depreciation amounted to \$23,085 for 2000 and \$22,179 for 1999.

Statements of Cash Flows

For purposes of the Statements of Cash flows, AOC considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents.

ACADIANA OPEN CHANNEL, INC.

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2000 and 1999

Note 1 – Summary of Significant Accounting Policies (continued)

Income Taxes

AOC is an exempt organization for federal income tax purposes under Section 501(c)(3) of the Internal Revenue code.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain amounts and disclosures. Accordingly, actual results could differ from those estimates.

Note 2 – Support and Revenue Sources

AOC receives grants and contributions from various entities. Two major contributors are Telecable Associates, Inc. (acquired by Cox Communications August 9, 1999) and the Lafayette City-Parish Consolidated Government. AOC receives annual funding from Telecable Associates, Inc. in the amount of \$50,000. AOC also has been granted one-half of the Lafayette City-Parish Consolidated Government's yearly cable franchise fees in return for coordinating the use of the public access channels as provided for in the Lafayette City-Parish Consolidated Government's agreement with Telecable Associate, Inc., allowing the operation of cable television. The Cable franchise agreement between Telecable Associates, Inc. and the Lafayette City-Parish Consolidated Government is under extension and expires January 9, 2001.

Note 3 – Contributed Services

AOC receives a significant amount of donated services from unpaid volunteers who perform a variety of tasks that assist the organization. No amounts have been recognized in the statement of activities because the criteria for recognition have not been satisfied.

ACADIANA OPEN CHANNEL, INC.

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2000 and 1999

Note 4 – Leases

AOC rents office and production facilities from Acadiana Arts Council, Inc. for \$811 per month on a month-to-month arrangement.

Note 5 – Concentrations

For 2000 approximately 55% of AOC's support was provided by Telecable Associates, Inc. and one half of the Lafayette City-Parish Consolidated Government's yearly cable franchise fees. For 1999 approximately 91% of AOC's support was provided by these sources.

Note 6 – Investments

Investments are stated at fair value and consist primarily of U. S. Treasury notes, U. S. Treasury bonds, money funds and common stock.

Note 7 – Subsequent Events

As mentioned in Note 2, the franchise agreement extension between Telecable Associates, Inc. and Lafayette City-Parish Consolidated Government expires January 9, 2001. As of the date of this report, Lafayette City-Parish Consolidated Government is in the process of negotiating a new franchise agreement with Telecable Associates, Inc. All parties expect to finalize the franchise agreement prior to January 9, 2001. For the purposes of the franchise agreement, AOC is recognized as an "Acadia Corporation" and an agreement between Lafayette City-Parish Consolidated Government and AOC, which includes funding provisions, will be prepared for approval by the Lafayette City-Parish Consolidated Government Council after the franchise agreement has been finalized.

ACADIA OPEN CHANNEL, INC.

MANAGEMENT LETTER

Year Ended June 30, 2008

STEPHEN R. MOORE, JR., CPA

A Professional Accounting Corporation

(504) 303-4444 FAX (504) 303-4447

1214 N. Landry Street, Suite 201
Lafayette, Louisiana 70501

P.O. Box 8400
Lafayette, Louisiana 70508-0400

November 13, 2000

To the Board of Directors
Acadiana Open Channel, Inc.
Lafayette, Louisiana

In planning and performing my audit of the financial statements of Acadiana Open Channel, Inc. for the year ended June 30, 2000, I considered the Organization's internal control structure to plan my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on internal control.

However, during my audit, I noted certain matters involving the internal control structure and other operational matters that are presented for your consideration. My comments are summarized as follows:

ADEQUACY OF INSURANCE COVERAGE

During my analysis of the Organization's insurance policies, I noted that the amount of coverage under the Fireman's Fund policy (equipment coverage) was exactly the same as the amount of coverage for the year ended June 30, 1999, (\$214,700).

Since the Organization purchased over \$95,000 of equipment during the past four fiscal years, I recommend that management meet with their insurance professional to determine if the amount of coverage is adequate.

INVESTMENT POLICY

During my audit I noted that during the year the Organization opened two managed investment accounts at a brokerage firm. These accounts are invested in various securities, including common stocks, government bonds and money funds. Since the Organization is investing operating funds in these investments, I recommend that the Board consider formulating and adopting a written investment policy.

To the Board of Directors
Acadiana Open Channel, Inc.
November 13, 2000
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CONCLUSION

I believe the Organization would benefit from implementation of the aforementioned recommendations. Often when such changes are made, circumstances dictate that some recommendations be modified.

I will be glad to assist you in the implementation of any or all of these recommendations. Please let me know if I can assist you in this regard.

This report is intended solely for the use of management and the Board of Directors of Acadiana Open Channel, Inc. and should not be used for any other purpose.

I wish to thank the executive director and office manager/bookkeeper for their cooperation during the course of my examination.



Stephen R. Moore, Jr., CPA
Lafayette, Louisiana

Concluded



December 12, 2008

Stephen R. Moore, Jr. CPA
214 St. Landry Street, Suite 303
Lafayette, LA 70506

MANAGEMENT'S CORRECTIVE ACTION PLAN

Dear Steve,

Thank you for your service and assistance with our annual audit. I have read the accompanying management letter and would like to outline our position relative to the issues you raised.

Issue number one, *Adequacy of Insurance Coverage* is well taken. We have already solicited the assistance of industry professionals in valuing our current configuration and equipment needs. This valuation is intended to serve two functions, one is to help us define our next major purchases based on condition and adequacy of our facilities. Two is of course, to refine our insurance coverage's. Given the rapid rate of technological advancement we are certain that replacement cost of our equipment will be lower than current book values. We will be completing our evaluation within a few months of the removal of our contract with the city.

Issue number two, *Investment Policy* is also well taken. As you know we have invested our money on the basis of expected significant outflow for new equipment within a few months. As you have pointed out we need a sound policy at the Board of Director Level. In this regard we have already issued an investment policy questionnaire to board members for review. Upon completion of this questionnaire we will visit with you and other financial professionals and commit to a policy that fits ADC's investment goals, based on our operational goals.

Your input and suggestions, both in your professional capacity and in your observer capacity are most appreciated.

Thank you.

Sincerely,

Ed Biele
Executive Director, ADC